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ABSTRACT

This review of retrenchment in higher education covers background information, basic concerns, suggestions for making cuts, and lessons learned from experience. Contents concern financial pressures, enrollments, faculty relations during retrenchment, services and programs during retrenchment, administration during retrenchment, and case histories of retrenchment action at specific colleges and universities. Specific topics include: enrollment trends and projections, attrition and retention, faculty development, faculty turnover and tenure ratios, alternatives to tenure, collective bargaining, student/faculty ratios, faculty reduction, student services administration, zero-based budgeting, the decision-making process during retrenchment, public funds, tuition, external funds, and operations. Some important steps that higher education institutions should take to prepare for retrenchment are suggested. Extensive notes and a bibliography are included. (SW)

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RETRENCHMENT REVIEW

by

Suzanne M. Bieschke

for

The Planning Office
University of California-San Diego
September 1978

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U S DEPARTMENT OF HEALTH,
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TABLE OF CONTENTS

INTRODUCTION	1
FINANCIAL PRESSURES	4
ENROLLMENTS	
Introduction	7
Trends and Projections	7
Boosting Enrollments	11
Attrition and Retention	11
Specific Actions	12
FACULTY RELATIONS DURING RETRENCHMENT	
Introduction	13
Faculty Development	13
Faculty Turnover and Tenure Ratios	14
Alternatives to Tenure	16
Collective Bargaining	18
Faculty Performance	18
Student/Faculty Ratios	19
Faculty Reduction	21
Legal Issues	22
The American Association of University Professors	29
A Case Study	31
SERVICES AND PROGRAMS DURING RETRENCHMENT	
Service Departments and Programs	34
Services	35
Programs/Departments	36
Staff Development	36
Middle Managers	37
Student Services Administration	38
Service Instruction	39
Specific Actions	39
ADMINISTRATION DURING RETRENCHMENT	
Introduction	40
Management in Higher Education	41
Zero-Based Budgeting	42
The Decision-Making Process During Retrenchment	44
Administrators	46
Communications	47
Public Funds	48
Tuition	48
External Funds	49
Personnel	50
Operations	51
Specific Action	52
CASE HISTORIES	53

INTRODUCTION

The current watchword for higher education is "flexibility;" flexibility to deal with the uncertain period higher education is entering when enrollments and funding will be at unknown lower levels. Past commitments must still be honored while academic growth continues to be encouraged. Educational managers are facing a juggling act and no one knows exactly what to keep in the air, what to keep in the hand, and what to drop altogether.

The uncertainty and concern which retrenchment--cutting back-- brings is apparent from the increasing amount of literature being published on the subject, mostly written by members of academia. As a preliminary step to evaluating the UC-San Diego situation, prospects, and alternatives for the future, the UC-San Diego Planning Office conducted a thorough review of this literature in the summer of 1978. The review revealed pertinent background information, basic concerns, suggestions for making cuts, and lessons learned from experience. The "Retrenchment Review" organizes and summarizes the areas covered within this literature.

There is no doubt that reductions in resources for higher education are imminent on a national scale. However, many higher education institutions have already retrenched for reasons varying by individual circumstance but mostly due to the combination of increasing costs, budget cuts, and decreasing enrollments. Small private colleges have been the hardest hit, but all sizes and types of institutions have been affected.

It is apparent that budget reductions affecting a particular institution are unique situations which require unique solutions. Specific reactions to budget reductions differ greatly depending upon the size and timing of the cuts, whether there have been previous cuts, and the likelihood of future cuts. Small cuts often bring horizontal reductions (proportionate cut across all units). Large cuts usually necessitate vertical reductions (elimination of programs) for the institution's well-being. Stopgap measures will

not help. The reductions should be viewed as permanent and synthesized accordingly within the university structure.

Thorough analysis of all university services and procedures and a redefinition of university roles and goals is necessary for determining reallocations. Administrators experienced with retrenchment emphasize that it is imperative to communicate freely and openly with all campus members and the community regarding prospective cuts, methods for determining these cuts, and the expression of ideas and opinions.

Many state that retrenchment can have very positive benefits and should be approached as an opportunity to create a more efficient and fiscally-solvent institution. Again, flexibility in dealing with uncertainties is a key concept during budget cuts and reallocation of resources. An agressive, optimistic approach to meet the new societal needs and uses of higher education will bring new growth and innovation.

The review suggests that some of the most important steps which higher education institutions (including UC-San Diego) should take to prepare for retrenchment are:

- The establishment of a clearly defined, periodic review of all university policies, procedures, units, and expenditures.
- The development of open and effective campus communication channels emphasizing the inclusion of students, faculty, and staff.
- The development of an active student recruitment and retention program to boost enrollments.
- A reexamination of the university's role in student life, keeping in mind that students cannot afford many expenses. This should differentiate between services remaining from the time when universities took much more responsibility for the direction and control of their students, and those services still necessary to support academic and personal development.
- The development of a program to build student self-reliance. This should be aimed at ensuring that students use university assets to their best advantage in an independent manner to avoid unnecessary expense.

- The development of interinstitutional consortia for the purposes of expanding student resources, faculty and staff development, and career renewal.

- A reexamination of the tenure system: ways to accommodate its role, purposes and goals in steady state or with reduced faculty positions.

- The preparation of an administrative program as an alternative to union organization. This should include the development of appropriate bargaining units and strong, workable grievance procedures for unorganized groups or individuals.

- An analysis of ways to structure personnel policies to accommodate Affirmative Action under staff and faculty reduction.

The eventual specific planning process must be done by higher education experts. Fiscal balance and innovative educational development are two difficult ends to reach through the same means. These are the heart of the task and the goals of successful retrenchment. Candid assessments of the university's role, current situation, and alternatives together with a careful analysis of the national and local considerations are necessary to safeguard the quality and integrity of UC-San Diego.

FINANCIAL PRESSURES

In the 1960s higher education more than doubled its portion of the GNP from 1.1% to 2.5%. This was a direct result of the doubling of full-time equivalent students from 3 to over 6 million.[1] There was a simultaneous rapid rise in cost-per-student as universities flourished, adding programs upon new programs, coupled with high inflation. These pressures have continued through the seventies. For example, the University of Missouri has had a 5-year operating costs increase of 94% while the national consumer price index rose only 47%.[2] In the midst of higher education's rapid growth during the sixties, the social movement for zero-population growth also took hold and the birthrate drastically dropped. It is estimated that student enrollments in higher education through the 1980s will experience anywhere from a 3 to 30 percent drop.[3] If true, this will mean an excess of all university assets--too many programs, too many colleges, too many faculty, too many buildings, too many commitments in general.

Most of all, this will mean a decrease in funds. The University of California is allocated the majority of its instructional funds on a formula basis which converts headcount enrollments into full-time equivalent students. Although the recent passage of Proposition 13 has made retrenchment immediately imminent, available public resources are still clearly allocated depending on the number of students being educated at a particular institution. It is the students that count for instructional funds, not already tenured faculty, not already built buildings, not continuing research efforts. So, the administrators of higher education institutions are left to scale down their programs, court additional funds, increase enrollments, and balance the budget. Proposition 13 has made the concerns current and is worsening the situation by making already scarce public funds for higher education even scarcer.

Several articles on retrenchment discuss the need for compensating higher education for inflation as well as what they call productivity increases. This theory suggests that productivity gains in

industry which fully or partially offset wage increases with an average increase of 2.5% per year, should be combined with each year's inflationary rate to determine the increase necessary for higher education to remain at the "status quo."[1, 4]

This writer feels further study would be necessary to determine whether such industrial productivity gains could be considered comparable to the complex "products" of universities. Either way, the enrollment and concurrent budget declines will be further burdened by economic (inflation, stagflation) pressures,[1] and it is doubtful that the public will be sympathetic to compensation for inflationary rises in cost-per-student, much less additionally supporting theoretical productivity income gaps.[4]

In general, it is difficult to control cost consciousness in a university because of the wide range of programs, student and faculty quality, student needs, cooperation received at all levels, and the direct impact of these variables on the efficient use of resources. Additionally, the mere size of the university budget makes it a target for cuts by the legislature.[5] However, if effective leadership to meet new challenges comes from within higher education, the pressure for external control will be minimized.[1]

It is important to be forthright with all campus members regarding financial pressures, allowing them to weigh the priority of their goals. This is particularly applicable to students. It should be stressed that the common primary goal of all university members is to provide the highest quality education with the limited funds allocated. Understanding this, students should be encouraged to take advantage of courses and services offered rather than demanding more at more varied times.[6]

A final caution when considering retrenchment: universities are complex places with complex outputs and it is important to avoid oversimplified measures of efficiency.[5] The following review will identify basic concerns during retrenchment and published suggestions for making cuts and calculating efficiency. Although the literature

search was extensive and the reviewer has attempted to remain objective, there can be no guarantee that suggestions are all inclusive or that they necessarily represent a majority opinion. The eventual specific planning process must be done by experts in the field of higher education.

ENROLLMENTS

INTRODUCTION

The next decade will bring an enrollment decline of traditional age freshmen (18 years old) as a result of the decreases in the number of births during the 1960s compared with the post World War II baby boom.[3] When considering policies and actions for dealing with enrollment declines at a particular institution, it is important to distinguish between prudent planning based on reasonable long-range enrollment projections synthesized with the university's current situation and short-range reactions to enrollment fluctuations.[5] Several statistical trends should be considered when forming projections with the emphasis on data concerning the specific area(s) that the university is located in, serves, and from which it draws its student population. National and regional information should be used only to help understand the causes and effects on the particular area being considered.[3]

Enrollments are a unique reaction to the many variables affecting an institution at any given time, such as:

- Location
- Course offerings
- Reputation
- Public relations
- Student relations
- Unsolicited media coverage

Various efforts to attract and recruit the students who will best fit into and grow in the offered atmosphere, and then to retain those who do enroll, can be used by the university to counteract declines in the traditional college-age group.[7]

TRENDS AND PROJECTIONS

One thousand new institutions of higher education were established in the United States between 1947 and 1957. California alone had 95 of them. This prodigious growth was a direct response to both high public confidence in higher education's "products," and, an ever increasing (or so it seemed) student population.[8]

Birthrates increased:

19.4 per 1,000 in 1940 - reach higher education in 1958
20.4 per 1,000 in 1945
24.1 per 1,000 in 1950
25.0 per 1,000 in 1955

then decreased:

23.7 per 1,000 in 1960 - reach higher education in 1978
19.4 per 1,000 in 1965
18.2 per 1,000 in 1970
15.6 per 1,000 in 1972

causing an absolute decline in the prospective traditional age (18 to 22 years old) student population.[1] Barring catastrophe, there should be 3.6 million 18-year-olds in 1985 compared with 4.2 million 18-year-olds in 1975*, a decrease of 600,000 or 12%. The 18-year-old designation is important, considering that nationally 74% of first-time, full-time students in 1975 were 18, while only 6% were 20 or older. In California the figures were 63% and 12%, respectively.[3] Some 84% of UC-San Diego's first-time, full-time population is 18, with 1% being 20 or older.

Nationally over the past decade, the proportion of freshmen migrating to other states has remained stable between 15 and 18 percent. Migration patterns are particularly important to California public institutions. Some 97% of California out-of-state freshmen have historically enrolled in public institutions, while only 3% have enrolled in private institutions.[3] Nationally, public institutions enrolled 59% of all college students in 1960, 73.2% in 1970,[9] and 78.8% in 1975.[10] California has been projected to experience a trade-off between birthrate declines and high freshmen in-migration rates effecting an absolute enrollment growth of 5.4% in 1985 over 1975.[3] This is considered optimistic. The Carnegie Commission in 1973 projected 33.3% gains from 1970 to 1979, 7.8% losses from 1980 to 1989, and then a 25.1% surge in the 1990s. Allen Cartter's 1972 projections are lower.[9] However, both of the latter are national projections which do not consider California's migration patterns.

The participation rate, or portion of the college-age population which enrolls in higher education, can be a powerful enrollment

*Another source projects: 4.3 million in 1979 and 3.2 million in 1992[2].

variable. National higher education participation rates have grown enormously: in 1953, 31.2% of United States 18- and 19-year-olds, 11.1% of 20- to 24-year-olds and 2.3% of 25- to 34-year-olds were participating in some form of education; by 1970 these figures had expanded to 47.7%, 21.5%, and 6.0%, respectively. During the same time period 18- to 19-year-old male participation increased 16.7% and the same age female participation jumped 15.7%.[11]

Female enrollments as a percent of the college-age population have continued to grow over the past decade[2] while male enrollments have dropped since 1969.[9] In 1970 the 18-year-old participation rate in California was approximately 30%.[3] Overall, California has high participation, with approximately 70% of Californians participating in higher education at some time.[8]

Other general factors influencing participation rates:

- Relative wages paid to those highly educated. These wages decreased sharply in the 1960s followed by a surge in vocational and technical enrollments. Future effects are uncertain.[9]

- Educational attainment of parents. Children in the United States have historically received more education than their parents. This pattern is expected to continue. Two-thirds of the population in a sample survey cited job training as the primary reason for sending their children to college. However, 70 to 75 percent of those with less than a college education gave this economic reason while only 50 to 55 percent of those with four years of college responded this way. Those with over four years of college were more philosophical and the economic response dropped to 30 to 35 percent. These people instead cited understanding the world and one's self. As the nation's educational attainment rises, it is expected that the reasons for partaking in higher education will shift towards the latter reason.[12]

- Declines in average family size. This naturally follows a decline in the birthrate and could result in families better able to support the burden of children in college.[13]

- Differences in birthrate by ethnicity. Presently the middle-class white population is at zero or minus growth while ethnic groups have not reduced their birthrate. This could mean more educationally-disadvantaged students in the future.[13]

- Level of competency. Assuming that minimum competency is mandated and that the level of competency subsequently rises,

this could mean less remedial work necessary and more students qualified to meet college entrance requirements.[13]

- New birth patterns. Last year the District of Columbia had more abortions than live births and more live births out of wedlock than in wedlock. The ultimate consequences of changing social patterns is indeterminable.[13]

Obviously, if UC-San Diego can increase participation rates in one or more population groups, the effects of a smaller overall prospective group can be minimalized or negated. This reviewer believes this area is particularly applicable to UC-San Diego as a young university which has not had the time to expand fully its reputation or explore all student markets. Suggested groups to explore:

Veterans - One million men leave the military each year. Some 78% have high school or equivalent diplomas and government benefits.[7] This appears particularly applicable to UC-San Diego because it is located near several major military bases.

Women - Women accounted for 63% of the enrollment growth in higher education from 1973 to 1978.[2]

Disabled - The disabled are particularly suited to train for mental occupations.[7]

Older students - College attendance in the 25-plus age group increased from 2.5 million in 1972 to 4.1 million in 1977. (These are headcount figures, not full-time equivalent students.)[2] Older students can be a good influence as they are often concerned with getting the fullest education possible in return for their tuition and fees.[6]

The academically oriented - These should prosper in UC-San Diego's intellectual environment as well as being an asset to the University.

Business people - The largest companies in the United States spend $1.6 billion annually for in-house education. They also spend $220 million for tuition refund programs and $18 million for outside education for employees. As the costs of providing these benefits and union pressure simultaneously increase, it is reasonable to expect a shifting of educational benefits toward in-house education which is relatively less expensive for the output. University administrators might seek to provide cost-effective educational programs which compete favorably with in-house programs.[13]

BOOSTING ENROLLMENTS

It is important first to identify the correct "type(s)" of students who will best prosper in the specific collegiate experience offered. Take a look at who currently is successful at the institution and why; also, for what type of student were the programs designed. Publications should be designed to attract these students to investigate the institution further. There should then be vigorous recruitment of the students who show an interest. There is no benefit in portraying a situation which does not exist. The idea is to spark an interest in those with whom the programs could grow, benefiting all parties. Perhaps current students could design and edit university publications to provide their perspective.[7]

The predicted student shortages of the 1980s will most likely create some competition for enrollments, although there is some concern that this competition could bring academic standards down by forcing acceptance of lower qualified students to fill enrollment quotas.[1] This reviewer suggests instead that UC-San Diego emphasize its academic excellence, thereby continuing to attract the astute section of the student market. I feel this would fill enrollment quotas and preclude any pressure for lower standards.

A strong first-year program is one suggestion for helping students become "adult citizens," with their self-sufficiency stressed. This program should help students adjust to their new life, keeping in close touch to make them feel a part of the university and as insurance that the students will know how to handle later problems. This is also suggested as a possible means of streamlining student personnel services.[14] The identify - attract - recruit process should be given particular attention as a first step towards improving retention of students.

ATTRITION AND RETENTION

It is apparent that the higher the portion of students who stay at an institution through completion, the less effort needs to be spent on attracting enrollments in order to keep the budget balanced. It is important to determine causes for student attrition and implement

action for improvement. One measure of UC-San Diego's retention rate shows that approximately 35% of first-time freshmen receive degrees within five years (an additional 6% remain enrolled past that time). This graduation rate compares to a UC-wide figure of about 50%. The most comparable national figures show 35 to 45 percent of first-time freshmen graduating from large state universities within four years. UC-San Diego is currently active in retention research and committed to alleviating the attrition rate.

For detailed UC-San Diego enrollment projections, see "Potential Demand for Undergraduate Education at the University of California - San Diego," by Marsha Laurence, Planning Office, December 1977.

SPECIFIC ACTIONS

Mundelein College, Chicago (Catholic) - Instituted a weekend degree program and is now enjoying the highest enrollment in their 48 year history.[2]

Kent State University, Ohio - Implemented a $50,000 advertising campaign to attract students, including spots on television. They also started a "vacation college" program in which families are encouraged to spend part of their summers on campus.[2]

FACULTY RELATIONS DURING RETRENCHMENT

INTRODUCTION

The single most important step administrators can take to enhance faculty relations during retrenchment is to keep them informed of all developments. Faculty must understand the issues and the necessity for retrenchment, and see that all decisions being made are handled in an established, equitable manner. The amount of faculty participation in the actual retrenchment decisions is at the discretion of the individual institution[15] but full communication is imperative in any case.[16] As funds become scarcer, budget battles will become more and more intense. Proposition 13 has brought the spectre of retrenchment to UC-San Diego even before the imminent enrollment declines. This means that open communication must start right now -- offering the only hope for lessened tension and increased teamwork on problems. Faculty salaries make up 80 to 90 percent of most departmental budgets[17] and approximately 2/3 of UC-San Diego's instructional budget, making them an unavoidable target for reduction. It is essential, however, that the faculty see and know the burdens of retrenchment are being absorbed throughout the institution. There is little hope that the faculty will be willing to work with an administration that takes no cuts itself.[5]

FACULTY DEVELOPMENT

Staff and faculty development are often seen as areas easily cut with minimal pain. The question here deals with trading personnel quality and growth for dollars. Elaborate development programs become unrealistic; however, there is support for institutional programs which tap the strengths of the faculty members themselves and allow access to small grants for special teaching innovation.[18] Interinstitutional corsortia in this area should prove highly beneficial and cost effective.[14] The California State University and Colleges instituted an intrainstitutional program for faculty development (organizational and personal) in 1972-73 which they consider a success. The major element of the program was to stimulate ideas. The program has also been credited with helping

to develop better relations among campuses.[19]

A special need during retrenchment is the development of a system to help faculty who want to either change fields (for interest or enrollment reasons) or leave academia for careers in related business and industry. Interdisciplinary and interinstitutional consortia should be encouraged for these purposes. The institution benefits by creating a more conducive atmosphere for faculty turnover. It is preferable to pay now for development programs in areas with enrollment demand prospects rather than be forced into paying for tenure litigation later.[6]

Attention should also be given to developing ways to help faculty deal with their time more effectively. Faculty, such as chairpersons, responsible for administrative work should be given management training. A study by L. Richard Meeth has indicated that faculty spend more time on administrative duties than either student advising or research.[13] Although this was not based on research institutions such as UC-San Diego, it can easily be observed that if faculty are helped to streamline administrative duties, there should be increased overall productivity.

Finally, John E. Cantlon has offered this advice: "Continued attention must also be devoted to the education of faculty groups which sometimes perceive administrative concern for improved efficiency as representing an assault upon educational quality, if not academic freedom."[5]

FACULTY TURNOVER AND TENURE RATIOS

Faced with faculty reductions and large rolls of tenured faculty, the problem of keeping a steady stream of vigorous new ideas flowing into the university looms large. The faculty members already progressing in the tenure process combined with few or no infusions of new (lower-paid) positions will create a shifting of ratios to even more tenured faculty. This will mandate raising the 2/3 portion of the instructional budget already used for faculty salaries. In 1973, 62.6% of the faculty at UC-Santa Cruz were scheduled to retire

after the year 2000.[8] The current UC-San Diego figure is 60.25% (ladder-rank faculty 42 years old or younger in April 1978). This block of tenured faculty will expect increases in salaries as the years progress. Although faculty are unhappy with quotas, this may be necessary to control costs. The administration should point out to senior faculty that unless they are willing to allow a substantial portion of non-tenured faculty, thereby creating a lower salary budget, the money to pay for additional tenured faculty will come from fewer or no promotions and/or fewer, smaller, or no salary increases.[20] However, the university must be careful to assure that lower-ranked, non-tenured faculty are not performing the same job as tenured faculty. It is illegal to pay two groups of employees different wages for the same job under Affirmative Action laws.[20]

Important variables which can affect turnover are:

- Age distribution of faculty.[20]
- Rate candidates are appointed to probationary period.[21]
- Length of probationary period.[20]
- Percent of probationers who receive tenure and that rate at which it is granted.[20]
- Length of service after tenure.[20]
- Percent of new appointments made with immediate tenure.[20]
- Rate of attrition from tenured and non-tenured ranks by retirement, death, or termination.[20]

John B. Stephenson suggests ways to compute an institution's optimum tenured faculty ratio by figuring the ratio of dollars committed to tenured faculty to the total instructional budget. "The ratio should be low enough that the amount of flexible dollars is sufficient to accommodate enrollment shifts among departments plus a 15% safety margin."* Enrollment shifts are predicted using past trends.[21] Many articles discuss hypothetical tenure ratios which are labelled as "good" or "bad" for various cases.[8,9] This reviewer does not believe that tenure ratios can be fixed at any optimum ratio without an examination of the specific department or program. Mathematically,

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* flexible dollars: dollars not committed to tenured faculty

it is simple to achieve numbers on a model for steady-state declining enrollments by controlling tenure ratios. Realistically, political and emotional issues make it a complex and delicate procedure.[20] It is important to strive not to demoralize the faculty with feelings that professional success is impossible. Quotas must be carefully examined as a means to ease tenure ratios although they can have the negative effect of focusing on quantity rather than quality.[21]

Policy suggestions for controlling tenure ratios:

- Reserve tenure for only those with exceptionally outstanding credentials.[21]
- The decision for service past age 67 or 70 should rest with the administration, not the individual, and should be reviewed on an annual basis.[21]
- Permission for waiver of seven years' probation should be extremely difficult to obtain.[21]
- Try to eliminate (in the shortest time possible) those who will not make it.[21]
- Promotion in rank should be clearly separate from appointment to tenure.[21]
- Use a limited number of short-term appointments where enrollments are declining or unstable.[21]
- Institutional research should keep ratio information and enrollment projections current to allow optimum planning decisions and verify that the institution is controlling these variables to the best of its ability.[21]
- Future hiring of faculty should be done in varied age groups; there should be no hiring of persons in over-represented age groups. For most institutions this means hiring 50- to 60-year-old faculty members to assure future vacancies and spacing appointments of young scholars over the years.[8]
- Use visiting professors as often as possible.[9]
- Do not delay tenure decisions as turnover will be even further reduced.[9]

ALTERNATIVES TO TENURE

Following are various ideas for changing tenure or abolishing it and replacing it with some sort of contract system as a means for controlling faculty salary budgets:

- David Hopkins studied conditions at Stanford University and suggested a seven-year probation for all non-tenured faculty with automatic termination of 25% after a third year review. He then supports allowing 45% of those remaining to become tenured--or 34% of the original group. However, those not yet tenured should not be labelled as "probationers" as this term could be interpreted in court to imply possibility of employment when quotas will preclude all non-tenured faculty from a possibility of employment.[20]

- Jack C. Buckle, Dean of Student Services at Lycoming College suggests an initial one-year contract with the first renewal for two years and subsequent renewals for three years.[22]

- W. E. Spellman, Associate Professor of Economics at Coe College suggests that a maximum of 10% of the faculty be put on a non-tenured contract basis. When the faculty member is one year from the end of non-tenured status a plan would be drawn up of expectations for the first 10 years under contract. After the contract commences, the faculty member is reevaluated for an additional ten years at each five-year interval.[22]

- Richard Weeks, Assistant Dean for Continuing and Career Education at Northern Arizona University suggests a "ballooning contract" where the initial contract is for two years and subsequent contracts are for five, seven, ten, and then 15 years until retirement. These contracts would be subject to non-renewal for staff reduction with one year's notice.[22]

- George Rapp, Dean of the University of Minnesota, Duluth, suggests a "cyclic system." The initial contract would be for three years. At the end of two years a review would be conducted for approval of years three through five. At the end of four years a review would be conducted for years five through seven. If "tenure" is approved, a seven-year contract would be approved and subsequent reviews would be held in the fifth or sixth year for the next contract period. Mr. Rapp stresses the need to keep tenure separate from the promotional system.[22]

- Vic Doyno, Office of the Dean at SUNY, Buffalo, suggests that the administration create explicit realistic minimum performance standards for all tenured faculty (publishing minimums, favorable teaching review, etc.) and hold seven-year evaluations of each faculty member. If a member is not meeting his or her expectations, a 10% salary cut would be imposed, and no inflationary or other raises would be granted until such minimums are met. If the member is not meeting expectations at the 14-year evaluation, an additional 15% salary cut would be imposed and that member would be given an inconvenient schedule. Mr. Doyno emphasizes the need for faculty accountability and the fact that tenure may guarantee expected employment, but that it does not guarantee a salary level.[22]

- A "contract for service" system was adopted at Hampshire College in Massachusetts in 1969-70 which Vice President Birney assessed as still going well in late 1977. Faculty candidates submit written proposals forwhat they intend to teach and accomplish while at Hampshire. The first appointment is usually for three years with subsequent appointments made for three to seven years. Anyone may contribute to an "open file" which is kept on each faculty member. A "College-wide Committee of Faculty Reappointments" is responsible for recommending all reappointments and terminations. Two important features are: faculty career development and encouragement of professional action have been improved as each faculty member is required to assess periodically his or her goals and progress; and the contract system itself is also assessed on a regular basis. However, Hampshire's attrition rate has been extremely low, averaging only 1.8 faculty per year, virtually defeating the benefit of this alternative. A tenure institution of the same size would deny tenure to roughly 5.5 junior faculty members per year.[23]

COLLECTIVE BARGAINING

The pressure for collective bargaining as a means to self-protection will increase with retrenchment.[4] However, many may later lose faith in their bargaining agent when they realize that not everyone can be protected against the reductions. Faculty union leaders and negotiators usually prefer no spelled-out retrenchment procedures so that they can object to any that are put into effect. This is the only way all faculty could be protected.[23] See "Legal Issues" for more on this subject.

The administration should prepare a flexible "counter-campaign" to union organization, stressing "pro-administration" rather than "anti-union." The administration should also develop appropriate bargaining units and strong, workable grievance procedures for unorganized groups or individuals.[24]

FACULTY PERFORMANCE

The Carnegie Commission has pointed out that there is no evidence which shows that tenure leads to stagnation and curtailed output.[9] Nevertheless, there is much concern that the decreased flow of new faculty and dollars during retrenchment will bring both. Periodic confidential assessments of all faculty with appropriate discussion should be encouraged. These assessments should be performed by a

group of colleagues.[21]

Although faculty do not like their authority on faculty and instructional workloads questioned, the administration should support the idea that high expenses do not guarantee quality. Those collecting workload data should be in a position to pressure departments for better performance.[17] Although departmental comparability is hotly argued,[17,5] weaknesses should be identifiable. Paul Dressel has stated, "The university has a major social responsibility and is given resources to carry it out. It should be accountable for use of funds and for delivery of a high level of quality service. Departments and faculty members are not budgeted to do as they please, but rather to provide services that the administrators of the institution, through the mediation of its board (and, in state institutions, of the legislature) are obligated to determine."[17]

STUDENT/FACULTY RATIOS

Increased financial pressures have already forced many institutions into raising their student/faculty ratios to 20 to 1* or higher.[25] The Carnegie Commission has studied this phenomena and determined that there has been "no apparent adverse effect on quality." They further state that educational quality depends upon the availability of first-rate students and teachers and the use of excellent teaching methods, upon the effort and interests of students, and upon the constant interaction of students and faculty.[1]

In 1972 Anna Jo Behrens studied institutions which had student/faculty ratios of 20 to 1 or higher. At that time, she found the student/faculty ratio national average was approximately 13.5 to 1. Over 80 four-year colleges had ratios of 20 to 1 or higher. The budget squeeze was the predominant reason for raising the ratio, with some state higher education boards and legislatures mandating the raise:

- Arizona - State Board of Regents: 1 new faculty for each 22 new students.

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* full-time equivalent students to full-time equivalent faculty

- Kansas - State Board of Regents: 20 to 1.
- Montana - State Board of Education: ranging from 19 to 1 to 21 to 1.
- New Mexico - State Board of Educational Finance: 24 to 1.
- Missouri - State Commission on Higher Education: 22 to 1 for lower division, 18 to 1 for upper division, 12 to 1 for graduate work.

Many administrators stressed honesty with faculty regarding budget problems was the single most important factor in convincing the faculty of the need for raising student/faculty ratios. The administrators further felt that quality was at the highest level attained at their institution and that students were satisfied with the amount of faculty attention.

Suggestions for implementing higher student/faculty ratios:[25]

- Level with faculty regarding budgetary problems.
- Raise salaries on the condition of larger classes.
- Work with each department head to determine the maximum feasible size for all classes.
- Measure faculty workloads and inform department heads of the number of students needed in each class for a balanced budget.
- Enforce full-time teaching load requirements.
- Require academic administrators to teach full or part-time.
- Leave vacant faculty positions unfilled.
- Hire part-time faculty on a limited basis when qualified people are available.
- Allow more graduate and undergraduate students, with proper training, to lead small discussion groups and process paperwork; consider granting course credit in some cases instead of salaries.

Suggestions for increasing student/faculty ratios:[25]

- Increase class sizes, particularly lecture classes.
- Use closed circuit educational television.
- Cancel classes which do not receive full enrollments.

- Offer low demand classes less frequently.
- Require a certain number of large introductory classes.
- Consolidate courses which duplicate each other.
- Reduce number of course offerings.
- Use educational ratio.
- Use programmed, tutorial, and other innovative teaching methods.

There is also discussion of raising faculty workloads in other areas besides student/faculty ratio. However, this is not a realistic solution for research institutions.[25] Most faculty are already at or beyond the level of effort for comparable business executives.[26]

FACULTY REDUCTION

A study by Sprenger and Sprenger of 163 higher education institutions in 14 states suggests that 74% of four-year private institutions, 66% of four-year public institutions, and 41% of two-year institutions underwent staff reductions from 1971 to 1974.[27] While UC-San Diego's General Campus enrollments have steadily grown from 552 in 1964-65 to 9,053 in 1977-78, student/faculty ratios concurrently doubled from 9.91 to 18.82. The UC average is currently 17.48.

Typical steps undertaken by or suggested for institutions when it is determined that no other alternative to full-time faculty reassignment or reduction exists are:

- Sharing workloads between disciplines, departments, colleges, and campuses.
- Reassigning faculty to other departments, colleges, or campuses.
- Supplementing teaching duties with non-teaching duties.
- Sharing faculty with other campuses or institutions.
- Transferring faculty to non-teaching duties.
- Retraining faculty (discussed under "Faculty Development).
- Reducing workload with a proportionate reduction in salary.
- Early retirement[28] -- this alternative is rejected by many as being a short-term solution.[20]

- Natural attrition[29]

Decisions and procedures regarding letting go of non-tenured and tenured faculty should be guided by expert legal advice to avoid litigation.

LEGAL ISSUES

The courts have already processed numerous cases regarding the retrenchment of both tenured and non-tenured faculty. It has been determined that "only by board action are persons hired, fired, or resignations accepted "--this responsibility may not be delegated. Generally, contracts must be in writing and approved by the governing board to be valid.[15]

The courts have not interpreted tenure as a guarantee of lifelong employment. Instead, they have recognized tenure as the end of a probationary period and the beginning of expected continued employment. This "expectancy" is in turn regarded as the "property" of the tenured person. The 14th Constitutional Amendment prohibits the deprivation of property without due process. There is no constitutional protection for expectancy of promotion. At the minimum, then, the 14th Amendment requires a notice of the reasons for termination and the opportunity of a hearing.[15]

The entire period a faculty member is classified as non-tenured is considered to be probationary and may be terminated at any time provided the institution abides by all contractual agreements and regulations. There is no legal implication for "expectancy" of employment regardless of the number of times a contract has previously been renewed. Additionally, tenure cannot be granted by oversight when there is an established tenure-granting procedure although the probationary period may inadvertently pass.[15]

Established procedures for granting tenure protect the institution by giving a long evaluation period with no legal property guarantee of employment. "A tenured faculty member may be laid off or discharged for legitimate reasons" provided those making the decisions "are willing to prove the truth and adequacy of those reasons."[15]

Both tenured and non-tenured faculty are protected against the "loss of liberty." The usual tack is to claim that the faculty member's good name and character has been lost or damaged by the retrenchment action. This cannot be a viable claim provided published reasons for termination are limited to evaluations of performance and not character. Mere non-retention has not been ruled as damaging to the reputation. Candid discussion of character is permissible--however, it must be "confidential and internal." Also, the faculty may only contest non-retention in this area on the basis of reasons published by the university--not those published through the faculty member himself or herself.[15]

A due process hearing must be initiated by the university when the statement of reasons includes any character references. If no statement of reasons is given, or no statements made which could be considered reputation damaging, the faculty member is responsible for initiating the hearing. The institution should carefully consider the pros and cons of giving statements of reasons regardless of their content. Non-tenured faculty do not have to be given the reasons for their termination; however, this may damage faculty morale and efforts to allay fears of ulterior motives may be costlier and lengthier than a hearing on the actual reasons. In any case, the reasons should be kept confidential and be assessed in an equitable manner.[15]

At the hearing the university is responsible for:[15]

- Informing faculty member of reasons for termination.
- Giving faculty member opportunity to present evidence that a mistake was made in calculating his or her status.
- Keeping a record of the hearing.

The governing board is entitled to the power of decision. No requirement for an independent hearing board or officer exists. Assuming the retrenchment decisions are based on reasonable and fair procedures, the burden of proof that a mistake has been made rests with the faculty member. Due process hearings should follow specific requirements (discussed below), but the Court has admitted that they

frequently have no effect on the decision. Their purpose is to ensure the faculty member that reasons for termination will be disclosed and discussed and that there will be an opportunity to present any factors which may have been overlooked, and possibly persuade the decisionmakers that an error was made.[15]

Following are two examples of hearing procedures for lay-off (not dismissal) of competent faculty for reasons beyond the control of the University which the Court has approved.

Johnson v. Board, 1975[15]

- "Furnishing each faculty member with a reasonably adequate written statement of the basis of the initial decision to layoff;
- Furnishing each plantiff with a reasonably adequate description of the manner in which the decision had been arrived at;
- Making a reasonably adequate disclosure to each plaintiff of the information and data upon which the decisionmakers had relied; and
- Providing each plaintiff with the opportunity to respond."

"The Court specifically rejected claims that faculty members had the right to cross examination of the officials who made the decision."

Levitt v. Board, 1974[15]

There were no specific due process requirements iterated, but the court did approve a hearing which included:

- Developing objective criteria for selecting those to be laid off.
- Right to counsel.
- Right to presentation of witnesses and affidavits.
- Hearing all evidence in support of decision to layoff.
- Right to question adverse witnesses.

Regarding the 1976 termination of 1,000 City University of New York faculty members, the Court upheld CUNY Board's August 15, 1975,

and May 24, 1976, retrenchment guidelines which included:[30]

- Laying off untenured and lower seniority faculty first.
- Thirty days notice.
- Advisory faculty role in retrenchment decisions.
- Allowing presidents of constituent colleges, after consultation with faculty and students, to make final decision on what would be retrenched.
- Limited hearings for laid-off faculty.
- Faculty objection limited to proving seniority computation was incorrect or proving that they were laid off for exercising their constitutional rights.
- Cross examination of administrators who laid them off not permitted.

The Court ruled that faculty "were not entitled to participate in development of retrenchment plans or to be given hearings before they were terminated."

Following is a cursory sampling of retrenchment clauses in collective bargaining agreements:

Agreement between Rhode Island Board of Regents and the University of Rhode Island AAUP, Article XIII, Retrenchment

Provides that terminations shall be made among those holding the same or similar positions in a unit in the inverse order of appointment. Faculty will be retrenched in the following order:

1. Part-time;
2. Temporary academic and academic term appointments before
3. Continuing academic appointments;
2. Temporary professional appointments before
3. Professional term appointments.

Notification will be sent as soon as possible. The faculty are entitled to a two-year rehire privilege before first-time employees can be considered.[31]

Agreement between the Board of Control of Ferris State College, Big Rapids, Michigan, and the Ferris Faculty Association MEA-NEA, 1973-1975

The administration shall meet and discuss with the association any impending retrenchment which cannot be handled by natural attrition. The order of retrenchment among bargaining unit members by seniority will be:

1. Temporary part-time.

2. Temporary full-time.

3. Regular part-time.

4. Regular full-time.

Every effort will be made to find another suitable position before termination. Those with one to five years of service are entitled to rehire for two years after lay-off, those with over five years of service are entitled to rehire for three years after lay-off. Rehire must minimally be at the same rank and salary and must include all sick leave accumulations.[32]

Agreement between Lincoln University of the Commonwealth System of Higher Education and the Lincoln University Chapter of the American Association of University Professors (AAUP), June 1975, Article XV, Faculty and Library Retrenchment

Lincoln University agrees to inform LUC-AAUP of impending retrenchment. Natural attrition will be used as far as possible for faculty retrenchment. When reduction in force apparently becomes necessary, the affected faculty and librarians will be notified before they are retrenched. An effort must be made to find other suitable positions for those laid off, and they must be given the opportunity to agree voluntarily on an order of retrenchment. Retrenched persons must be given first priority on opened positions that they are qualified for within three years after lay-off.[29]

Agreement between the State of New York and United University Professions, Inc. 1974, Article 35, Retrenchment

Retrench employees holding same or similar positions in inverse hiring order within each affected group of employees as follows:

1. Part-time;

2. Full-time term academic appointments before

3. Full-time continuing academic appointments;

2. Full-time term professional appointments before

3. Full-time permanent professional appointments.

The State will notify affected persons as soon as possible within the following parameters where possible:

- Minimum of four month's notice for term appointments.

- Minimum one semester's notice for permanent or continuing appointments.

Retrenched faculty must be given special consideration for other suitable positions within university and must be given rehire privileges with old seniority for two years after termination.[33]

Agreement between Temple University and the AAUP, 1973-76

This agreement specifically attempts to deal with the more complex problem of Affirmative Action and seniority retrenchment. Again, natural attrition is first required. When reduction in force becomes necessary the University agrees to meet with the AAUP regarding the best ways to implement retrenchment. "Whenever possible, retrenchment should be consistent with the University's moral and legal commitment to Affirmative Action."

The order of retrenchment within a department or program will be:

1. Part-time faculty.

2. Non-tenured faculty.

3. Tenured faculty by seniority.

However, either Temple or the AAUP may consider a different order from above "to take into account such important factors as:

- The faculty remaining shall have the requisite qualifications to perform the work required;

- Affirmative Actions goals;

- Academic excellence, and

- Early retirement."[28]

As can easily be observed from the above, there are various interpretations of what "seniority" means, usually depending on the status of the interpreting individual. Some prefer seniority on a strictly last-hired, first-fired basis. Others take it to mean seniority within ranks, starting at the lowest ranks and terminating everyone within that rank before moving to the next rank. Both interpretations pose problems. Last-hired, first-fired robs the university of young scholars and fresh ideas. Seniority by rank can mean losing good producers and teachers and locks upward mobility in rank for future years.

Problems of seniority by date or rank:

- Seniority would replace tenure.
- Academic demand within a field would replace tenure.
- Because faculty would be very aware of senior department members as competitors for limited positions, they may report incompetence and unproductivity to start disciplinary proceedings more frequently.
- Competetive atmosphere could create bad attitudes and less cooperation.
- Merit exceptions to seniority may be desirable but difficult to implement as merit is a subjective decision while seniority is an objective one.
- Threatened increase of power plays between departments in their efforts to keep students and dollars.[23]
- Destroys Affirmative Action progress with a high probability of litigation from minorities and women.[28]

Drew S. Days, III, Assistant Attorney General, Civil Rights Division commented in a speech on May 7, 1977, that the issue of whether blacks and women hired for Affirmative Action purposes can avoid the last-hired, first-fired seniority syndrome is "currently a matter of great judicial concern." Title VII of the Civil Rights Act of 1964 prohibits discriminatory employment practices. Title IX of the Education Amendments of 1972 prohibits sex discrimination in educational programs or activities receiving financial aid.[34] These rights are currently being contested in industry and are likely to appear in higher education. Any contractual provisions regarding retrenchment should allow for many alternatives similar to the Temple University agreement cited above.[28]

Bonnie G. Cebulski, Associate Director of the California Public Employee Relations Program at the University of California's Institute of Industrial Relations on the Berkeley campus, recently concluded a national study on how to effect personnel cuts without ruining Affirmative Action programs. Ten California communities were included in the survey. Most of these solved their problems by avoiding lay-offs by installing a hiring freeze and transferring employees to other positions. Two communities designed criteria for future use:

The City of Sacramento keeps separate seniority lists for "minority hires" and no lay-offs are allowed from this list beyond an established portion. The County of Monterey has sole discretion to determine the ability of its employees before applying seniority.

Other alternatives to seniority mentioned by Cebulski are:[35]

- Lay off by rating system including factors like "age, marital status, number of dependents, physical fitness, qualifications, total employment experience, and seniority."
- Rosters by race and sex with lay-off quotas in each.
- Lay-off by lottery.
- Lay-off by inverse seniority with the employer paying the difference between salary and unemployment benefits.
- Lay-off by chronological age.

THE AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS (AAUP)

The 1976 AAUP Retrenchment Policy establishes the AAUP's official guidelines. The Commission on Academic Affairs of the American Council on Education studies these guidelines and published several objections:[36]

- Foremost, the policy does not allow for enough flexibility for individual institutions to evaluate their unique situation and apply policies accordingly. There has been relatively limited retrenchment experience with categories of institutions (i.e., liberal arts colleges, leading research universities, etc.) much less the spectrum of diversity between institutions within any single category. This calls for "continued experiment" in the search of innovative ideas.
- The policy does not define "financial exigency" well enough to distinguish it from "educational" considerations which justify program discontinuation. In particular, they do not allow for any type of situation between the poles: an institution must either be on the brink of bankruptcy or the decision must be solely programmatic. Retrenchment is usually a softened combination of both conditions.
- The policy includes provisions which could lead to unnecessary problems, including the requirement for individual hearings for each faculty member who objects to termination based on: establishing the existence of "financial exigency," the validity of criteria for termination, and whether the criteria were properly applied to his or her case. The American Council on Education suggests that the first two can be accomplished in

a joint hearing, with only the third item receiving an individual hearing.

- Seniority and Affirmative Action are not dealt with in the policy which could lead to litigation.

Although these guidelines are not reliable predictors of AAUP local affiliate actions and agreement regarding retrenchment,[37] the Court has sometimes held that AAUP policy is "common, accepted, and acceptable practice." This is particularly true when university policy regarding faculty terminations contains the wording of or specific reference to AAUP policy. The American Council on Education believes that instead, the AAUP should simply be one of many sources for retrenchment suggestions.[36] Although the American Council on Education disagrees with many of the specific recommendations, it does feel that the AAUP policy deals with the proper issues and from the proper point of view. The AAUP policy considers the following:

- Conditions for tenured and mid-contract terminations (financial exigency and program discontinuance), the kinds of information necessary to determine that an institution is in such a condition, how much weight certain groups' interpretations will be given (faculty termination is the "primary" responsibility of the faculty), and what party has the burden of proof.
- The institution is required to seek alternatives before terminating any faculty.
- Criteria for selecting those to be terminated and who will do the selecting.
- How appeals will be handled and what party has the burden of proof.
- Ways terminated faculty will be compensated (severance pay, opportunities for recall, payments of training).

In sum, the American Council on Education "would favor policies and procedures that respect tenure, that provide for seeking alternatives to termination before termination decisions are made, that provide adequate notice or severance pay, that involve faculty advice at appropriate stages, and provide protections against arbitrary and capricious administrative action."[36]

State University of New York (SUNY) and the AAUP (see also SUNY under "Case Histories")

Although retrenchment at SUNY was in accordance with Article 35 of the Agreement between the State of New York and United University Professions, Inc., 1974 (see page 26), the AAUP published several objections to the manner in which retrenchment was carried out at SUNY. The AAUP subsequently censured SUNY. These objections included:[38]

- Chancellor Boyer and Vice Chancellor Spindler issued statements defining retrenchment without first consulting the faculty senate.
- Many faculty were terminated with less than one year's notice.
- Figures alleging that while some faculty were being retrenched, an actual rise of 104 faculty positions occurred between the 1974-75 academic year and the 1976-77 academic year. SUNY cites separate figures showing a drop of 97 full-time positions.
- On the whole, retrenched faculty lines were used to appoint new faculty with lower salaries. The AAUP refers to "data submitted by the Central Administration" for AAUP Compensation Surveys stating that the average university faculty salary for the 1975-76 academic year was $19,180 and dropped to $18,750 for the 1976-77 academic year.
- Actions taken were too hasty. Natural attrition could have been used.
- Policy allowing chancellors to designate retrenchment units was too arbitrary. Alleged that this was used to eliminate certain individuals regardless of status by identifying small enough retrenchment units.

The AAUP accuses the above-cited Agreement of leaving the faculty powerless to defend themselves, but does admit that the faculty deserves a small amount of blame for signing the Agreement. However, they place the majority of the responsibility for the alleged improper actions on the SUNY administration. SUNY officials believe their actions were warranted and in no way improper.[38]

A CASE STUDY

Mankato State University in Minnesota is a particularly useful case history regarding relations with faculty during retrenchment. From 1970 to 1975 Mankato's faculty was reduced by 150 positions with no litigation.

The University receives resources on a credit-hour formula which generates full-time equivalent (FTE) faculty positions necessary. Allocations for departments were figured by analyzing the history of each department to determine trends from which reasonable projections would be made of near future and future enrollments. Small departments are allowed higher margins for error. Department projections were then synthesized with college and university projections and translated into FTE positions called "formula suggested faculty." Future departmental allocations were then decided by considering relative expense and effectiveness of individual programs. The entire process has always been shared widely and openly to increase credibility. When the trend changed from adding to cutting positions, the vice president took sole responsibility for allocation decisions, with the committee of deans advising him. University data showed that the enrollment declines were primarily in the category of new students needing general education requirements, so most of the cuts were absorbed by the School of Arts and Science. Consequently, the faculty senate censured the plan as causing academic imbalance.

The administration then added six senate-appointed faculty members and two student senate-appointed students to the personnel planning committee as a renewed credibility effort. The cuts themselves were still based upon credit-hour data. The faculty did not voice support of the program during the retrenchment of tenured faculty between 1972 and 1975. However, in the Fall of 1975 the changing of allocation methods created greater acceptance of retrenchment decisions. These changes included:

- Each individual school could plan their own personnel rather than the central administration.
- "Program analysis advisory committees" were created by election at school and central administration levels.
- More data was used dealing with enrollments by class section rather than department which led to a determination of the portion of a faculty position needed for every section of every class. This in turn suggested a tightening of course offerings allowing fewer FTEs with no further program damage.

Although some anxiety was created by keeping retrenchment data,

plans, and methods open to the campus community, it helped heighten consciousness of the problem.

The determination of the status of such employees as counselors and librarians as either "administration" or "faculty" was particularly sensitive when trying to determine the cuts in each division. Faculty cuts were reflected by cuts in the administrative division. It was helpful to involve the largest number of people possible in the retrenchment process, particularly those departments where cuts were likely so they could begin to deal with programmatic priorities. Decisions were based solely on programmatic changes with each employee kept informed of his or her status. Good records were kept and hearings allowed.

In an effort to create additional credit hours and boost university morale, the faculty sponsored the idea of short-term mini-courses. These were overload courses with no additional compensation, but they supported seven annual positions. At the high point, over 600 mini-courses were being offered each quarter. Auxiliary courses could also be approved without going through a formal curriculum approval. If the course proved successful after several quarters trial, it could then be entered in the formal approval process. Seventy-five positions were supported by the development of an "extension" program offering both on- and off-campus courses to meet community demands. The state legislature allowed these credit hours to be counted fully for the first time in 1973-74. In 1975, 300 courses per quarter were being taught in 80 communities.

Five retrenchment principles of advice from this experience:[27]

1. Carefully assess the financial flow and status of your particular institution.
2. Consult legal advice before, during, and after.
3. Keep retrenchment process open with maximum involvement. Keep a steady, reliable flow of official information.
4. There will be many accusations and many people will be hurt, "learn to live with the result."
5. Look within the institution for solutions.

SERVICES AND PROGRAMS DURING RETRENCHMENT

Student personnel services and most special programs have come under heavy scrutiny during retrenchment. A very fine philosophical line emerges from the institution distinguishing services and programs which remain from the time when schools took much more responsibility for the direction and control of their students,[17] and those needed for general and academic support services to ensure balanced development, and because students cannot afford many expenses.[39]

Academic services in general are not experiencing reductions proportionate to other types of services, but all types have undergone reorganization and/or consolidation in many institutions.[39] Some institutions have virtually eliminated student services, others work only because some staff members are willing to invest unpaid overtime.[14]

SERVICE DEPARTMENTS AND PROGRAMS

Conduct thorough annual reviews of all departments, programs, and services. These should include:[17]

- Clarification of role in the university.
- Feedback for management.
- Five-year enrollment and programmatic plans.
- Examination of external funds and their future prospects.

Involve the "action people" in the planning and budgeting process. Ask each service or program director to state objectives for the coming year, including quantitative measures to be used at the end of the year to determine progress at evaluation. Faced with a failure to achieve goals or "frivolous goals," it is hoped the director may even suggest termination.[40]

There will always be some losses when reallocating. Compare the loss with the gain and give priority to services and programs which complement other university services or programs and the university

mission and role.[46] Consider combining career counseling, interest, and aptitude testing, and study skills programs with other programs. They could be supervised by the provosts,[41] or combined with academic programs.[39] Don't be afraid to admit past mistakes [40]or get tied up in theoretical quality. If it isn't needed, it doesn't matter how good it is.[42]

Alternatives to consider:

- Fund sources. Services or departments receiving external funds should not be penalized when competing for internal funds.[40]

- Create more off-campus opportunities for students. These could provide a new educational perspective for the students and utilize other community resources.[4]

SERVICES

The staff of student services typically lacks enough power to compete with faculty for fair resources.[14] Therefore, the reason for providing each service or program should be carefully and objectively examined and enough resources allocated to do the appointed job, otherwise the entire allocation should be cut.[40]

The University of California has a much more flexible budget than most institutions for student services because student affairs has a support base built into the fee structure.[14] Currently, this base accounts for 3/5 to 2/3 of the student services budget at UC-San Diego. With this in mind, a 1972 study of 86 sample institutions revealed that "institutional administrative needs" (i.e., admissions, registration) have clearly received more budget priority than "student developmental needs."[14] Library expenditures for new books and journals are high priority and should not be cut.[4]

Alternatives to consider:

- Supplement income with user fees, especially applicable for services shared by the general public.[14]

- Use students, spouses, and recent graduates to run general counseling, academic advising, orientation, and social activities.[41]

- Drop funds for experimental and extracurricular activities and events.[43]

PROGRAMS/DEPARTMENTS

Academic units should be advised of planning procedures and given enrollment and budgetary targets as guidelines to encourage self-evaluation and to insure that the institution is moving in specific directions in concert.[44] Plan to achieve minimum effective size for campus and departments before enrollment declines.[4] Control course proliferation. If students are interested in a particular area, it should be their responsibility to research it and develop an independent study program where applicable. It is not the university's responsibility to offer everything.[6] Time and manner of instruction in higher education may become more diverse in an effort to satisfy more diverse needs. Programs may need to become more vocationally oriented. The university should examine its appointed and desired roles with this in mind.[8] In any case, it is important that the university keep abreast of industrial and business advances and ensure that programs are moving with the times.[45]

Alternatives to consider:

- Allow 1 to 3 percent of the annual institutional budget to be used for renewal and reform of old programs and to establish new programs.[4]
- Consider offering more concentrated courses with high credit and fewer "thinner" courses with lower credit.[8]
- Halt creation of new Ph.D. programs.[4]
- Cut back courses.[2]
- Cut summer instruction where not profitable.[43]
- Staff declining enrollment departments for end of year enrollments rather than beginning of year enrollments.[46]

STAFF DEVELOPMENT

Staff development programs must capitalize on available resources to remain viable through the next decade. Programs should tap the strengths of faculty, administration, and staff alike. Effort should be given to developing interinstitutional consortia to

maximize resources.[14] Each staff member should have clearly iterated professional development goals and annual assessments with a senior staff member. Hold issue oriented study groups focusing on practical campus problems.[14] Allow the staff to increase their workload for a portion of the year in order to "earn free time" for innovative research projects.[14]

Administrative loyalty has often appeared to be punished in higher education by a lack of upward and even lateral mobility. Programs should be developed which would allow staff to earn advanced degrees and compete for higher positions.[41]

MIDDLE MANAGERS

The role of the so-called "middle managers"[47] becomes more complex as financial stress causes tension between faculty and administration, and both groups consider the middle manager part of the other group.[41] These employees hold such positions as registrar, service and program directors, and librarians,[47] and fill three basic roles:[41]

1. Act as a liaison between external forces and the university.
2. Act as liaison between procedural and policy setters and those carrying out those functions while serving as an activity control within the unit.
3. Are involved in student activities and curriculum.

Suggestions for middle managers during retrenchment:

- Plan time well. Weigh alternate uses of time by relative effectiveness of effort required.[47]
- Carefully budget time for travel and professional growth.[47]
- Recognize that the position is crucial in setting the university image. Set a good example. Show confidence in the university and fellow workers and commitment to goals.[47]
- Keep abreast of legal regulations.[41]
- Consult top administrators regarding your and your unit's productivity.[41]
- Be visible. Distribute reports widely. Be active on committees and advising. Participate in campus life. Come

up with ideas.[41]

- Be visible. Distribute reports widely. Be active on committees and advising. Participate in campus life. Come up with ideas.[41]

- Demonstrate your professionalism.[41]

STUDENT SERVICES ADMINISTRATION

The administration of student services should be examined and streamlined wherever possible. Administrative roles should be distinguished from professional helping roles to clarify purposes. Higher education is probably more subject to problems such as automatic appeals for almost every decision and additional pleas for exceptions than other community sectors. Help discourage such occurrences with firm but sensible rules published in a readily available workbook. These should include simple, set procedures for all plausible student needs.[14]

Studies have shown that students read their campus newspaper and other regular publications more often than individual office publications. Because students also often initiate action by first asking a friend or convenient staff member, particularly secretaries, offices should inform each other on proper procedures. Students and student services staff could be "trained" to perform the routine administrative processes. Undergraduates have been successful in "sensitive paraprofessional roles." Properly trained and supervised, students could perform many university responsibilities.[1]

The first-year program for self-sufficiency under "Enrollments" (page 11) is one suggestion for reducing student personnel services paperwork, duplication, and general use. Under the program, students would be monitored their first year (this reviewer suggests by other students) to insure an easy transition into campus life and to instill confidence in handling future problems. Services would be utilized heavily for program operation during the first year and hypothetically would reduce substantially in later years.[14]

SERVICE INSTRUCTION

Often colleges, departments, or programs are required to provide service instruction consisting of courses which are general education or non-major background and/or prerequisites. Those departments providing the instruction gain funds for additional faculty and support by enrollment in these courses, but often use only a portion of the funds gained for the service instruction while using the balance to enhance other areas of particular interest to the department. Colleges and departments which receive service instruction have a right to a programmatic impact on the department providing the service instruction. This input should be proportional to the funds allocated for service enrollments. Each institutional unit must be accountable for its funds for the purpose the money is allocated in order to maintain high quality standards in the student population.[17]

SPECIFIC ACTIONS

- University of Wisconsin, Madison: closed entire counseling service.
- Texas Tech: closed all infirmary beds.
- University of Utah: combined counseling with mental health services.
- University of Missouri: combined student health center with medical school after $40,000 reduction in counseling and health services budget.
- Michigan State Colleges and Universities: placed health services on a fee-for-service basis only.[39]
- Macalester College, St. Paul, Minnesota: urban studies program that was partially duplicating a consortia program eliminated ($75,000/yr. saving). Program for high risk minority students cut from 75 to 40 students per year($165,000/yr.). Individual learning center eliminated ($90,000/yr.).
- University of Cincinnati: developed slide and sound show for employees on subtle ways works and acts of every campus member contribute to the image of the university.[48]

ADMINISTRATION DURING RETRENCHMENT

INTRODUCTION

The "first and most important step in achieving budget economies (is) the institution and maintenance of a continuous planning process which evaluates results, eliminates the obsolete and unproductive and insures orderly change . . . through time."[16] Although retrenchment problems are political as well as technical[4] and obviously difficult, budget curbing should be approached as an opportunity to produce well-managed, fiscally solvent institutions.[16] This process should begin with an institutional appraisal including:

- Trends in revenues and expenses.
- Grand and contribution income.
- Applications, admissions, enrollments, retention, potential student markets.
- Registration by course, department, major, instructor.
- Utilization of faculty and program resources.
- Statistics on faculty, administration and staff.[49]
- Operations, including utilization and maintenance of plant,[43] scope and use of non-curricular activities.[49]
- How priorities are set and quality is evaluated.[43]
- How outputs are measured.[49]

This appraisal provides the institution with:[49]

- Strengths and weaknesses.
- Summary of current status and plans.
- Projections for future.
- Recommendations conforming with potential student markets and financial conditions.

The recommendations should specify:

- Cuts and when they should be made.
- Faculty retraining and reassignment.
- Changes in personnel requirements and plans to accommodate them.
- Changes in program utilization and plans to accommodate them.

- Changes in space utilization and plans to meet them.
- Income-producing plans for property and buildings which will no longer be necessary.[49]
- Strategies for increasing external funds.[42]

The above outline serves as a useful guide for administrative concerns during retrenchment, but is inadequate because it does not allow for uncertainties. Budget allocations are consistently changed during retrenchment, and experienced administrators learn to remain flexible.[50]

MANAGEMENT IN HIGHER EDUCATION

The results of a recent study of the administration of five state universities (unidentified) in financial difficulty revealed that the administrators felt that they needed more information during retrenchment because "they could not afford to make mistakes, and they needed to justify their retrenchment decisions." After initial confusion, retrenchment often forces an institution into an improved decision-making process, and consequently, more effective use of resources.

It is common for departments to become increasingly engaged in covering expenses liable to be cut. Counseling services are particularly susceptible to removal at the university level and reinsertion quietly at college offices.[50]

One system for improving higher education management was suggested by Schumpeter in 1934 and is still being used as a reference. Schumpeter draws five corollaries between higher education's efforts to continue growth and similar efforts in the business sector:[9]

1. Introduction of a new good or a new grade of good.

   Used throughout higher education's history with the introduction of new courses, programs, and degrees, and by changing the institutional image. Recently, the reduced demand for college graduates has spurred the growth of vocational programs, internships, and other career-related programs.

2. Introduction of a new method of production.

   Higher productivity can be achieved in higher education by either lowering costs while holding students constant or by

increasing students while holding costs constant. Both are extremely difficult.

3. Opening new markets.

   The "non-traditional" students: adults, transfer students, veterans, women, older working people, disadvantages, handicapped, those needing job retraining or updating, foreign students. Note: In 1974 there were 50,000 surplus West German college students. The West German government paid fees for 500 of these students to attend United States colleges.

4. Employment of a new source of supply.

   Sharpen fund raising expertise. Howard Bowen once remarked that the institutional budget is determined as much by its power to raise money as it is by its financial need.

5. Reorganization.

   Conduct program reviews to determine reallocations.

Zero-based budgeting is another management system which President Carter has recommended and generated current interest in implementation.

ZERO-BASED BUDGETING

Zero-based budgeting is promoted as an automatic review of the university while establishing budget parameters. As with all planning-budgeting systems, the needs and status of the university must be assessed before determining the applicability of zero-based budgeting.

Advantages of zero-based budgeting:

- Establishes a periodic review of programs and expenditures.
- Does not allow tradition to justify expenditures, only clear priorities.
- Can help reduce expenditures.
- Encourages cost-consciousness.
- Encourages good staff morale.
- Establishes basis for adjusting to changing circumstances.
- Assists effective remediation of staff weaknesses.
- Clearly relates budget to institutional objectives.

- Encourages professional development.
- Encourages communication
- Facilitates more informed management decisions.

Disadvantages of zero-based budgeting:

- Lots of paperwork.
- Very time consuming.
- Difficult to develop and rank decision units, which is the primary procedure of zero-base.
- Minimal motivation for staff to economize when successful saving is punished by the removal of financial support.

Steps for implementing zero-based budgeting:

- Develop general plan including timetable for implementation and subsequent reviews. Establish who has what decision-making responsibilities.
- "Define and diagram system."
- Design necessary forms.
- Conduct staff training on the concepts behind zero-based budgeting, and the forms, processes, and procedures which will be used.
- Consult with experts in the field.
- Consider first time as trial run with all employees aware that after conclusion they will be solicited for ideas for improvement.
- Develop basic rules for costing and provide all resources necessary (both data and human) for units to complete assignment.
- Allow enough time. The first time through will be the longest and planning should start at least nine months ahead. The actual process should take three to four months after initial planning and educating have been completed.
- Instruct units to divide their expenses into three categories: "minimal, maintenance, and desired." Minimal is considered the point at which further cuts would require cancellation of the unit. Maintenance would be the funds required to continue at present levels, and desired includes any expansion. It is sometimes necessary to specify a set maximum percentage of the present budget as "minimal" (i.e., 70 or 80 percent) to avoid reporting of minimal equalling maintenance.

- Consult institutional objectives and priorities when weighing unit packages.

Reasons why zero-based budgeting fails:

- Lack of support from senior administrators or president.
- Failure to allow sufficient time for implementation.
- "The assumption that current methods are optimal and cannot be improved."
- Too much paperwork.
- Lack of proper staff education on either background or procedures.
- Lack of assistance to units when developing packages.
- "Lack of clear decision making structure."
- "Failure to reward those who increase efficiency."
- Highly political environment.
- Failure to link budgetary decisions to institutional objectives and priorities.

It is apparent from the literature that some organized system of managing the university is highly beneficial. It is also clear that the system implemented needs to be consistent with the goals and stature of the institution and that the system simplify procedures rather than complicate them. UC-San Diego has an effective planning and budgeting system which compares favorably with management recommendations. The single most important factor which should be kept in mind is that as times change, existing systems should also change to meet new needs. Keep an open mind and subject the planning system itself to periodic review.

THE DECISION-MAKING PROCESS DURING RETRENCHMENT

The ultimate power to retrench lies in the hands of the governing board (the regents) and the president.[42] Authority is generally delegated to the campus chancellors when more than one campus exists. The decision to delegate this authority even further is unique to each situation.[15] Various sources support making the decision-making unit as broad as possible.[40] This unit should be familiar with

campus departmental workloads and able to pressure the departments for improvement through the budget.[17] It must be capable of comprehensively integrating academic, administrative, financial, space, personnel, and enrollment specifications at all university levels.[44] This is important. As John M. Dozier has said, "Too often budget battles offer the only arena in which priority decisions about allocations are made. This is unfortunate. Budgets should always be policy-supporting documents rather than policy-making documents."[16] Decisions must always focus on positions rather than personalities[40] and should be made in a reasonable, fair, and uniform manner.[17] All campus members should have the opportunity to express their opinions before decisions are made.[6]

The decision-making unit must realize that there will always be varying degrees of uncertainty and remain flexible.[44] Also, this unit should recognize that innovation is still necessary for growth. Don't be overly cautious, just careful.[48] Concentrate more on outputs and less on inputs.[4] Horizontal cuts can create mediocrity; vertical cuts are necessary for the institution's well-being.[16] The decision-making unit must have and use the power not only to cut budgets but to reward improvement by sharing savings with departments who cut costs.[5] It has been shown that when there is no foreseeable goal for maximum efficiency, efforts to cut cost cease.[50]

Improved administrative decision-making during retrenchment can be measured by six variables:[50]

1. "Completeness of relevant information.
2. Quality of information relied upon.
3. The nunber of times the decision must be remade.
4. Existence of explicitly-formulated criteria for decision making.
5. Degree to which decisions are made with a view to maximizing goals.
6. The timeliness of decisions."

ADMINISTRATORS

Regardless of their status in the ultimate decision-making unit during retrenchment, all administrators are responsible for helping the institution operate smoothly. They must set the example by exhibiting strong executive leadership and commitment. Administrators cannot be everybody's best friend, but instead must take bold and direct action.[17]

In particular, administrators must prepare the campus and community for impending decline.[8] They should organize and specify institutional responsibilities clearly[48] as well as establish defined procedures consistent with the institutional structure, philosophy, and purposes.[44] If the administration's thinking in these areas is unclear, so will the rest of the campus' and community's thinking be unclear.

All administrators, including the university president as well as faculty and staff members, need regular evaluation. This ensures that the institution is moving in the desired direction and helps the administrator clarify just where that direction leads.[42]

Retrenchment suggestions:

- Pay general attention to costs in all categories.[1]
- Eliminate all unnecesary duplication.[1]
- Eliminate layering of supervision.[24]
- Develop strict purchase controls.[46]
- Centralize similar activities.[24]
- Consolidate similar activities.[24]
- Improve efforts to work together. Help units to understand their own and others' roles within the university and stress their interdependence.[48] Try to maximize communications and interrelated planning.
- Arrange space assignments to facilitate use of labor pools and commonly-usable equipment.[24]
- Turn auxiliary enterprises over to independent operators or place on a self-supporting basis.[4]

- Reexamine grievance and governance processes for ways to streamline. These consume valuable time with little output and a lot of frustration.[5]

- Consult with an insurance specialist regarding self-insurance for health and hospital coverage. Do not attempt to self insure yourself for fire as it is much too costly to cover.[46]

- Participate in interinstitutional consortia to maximize assets. They offer lowered costs, faculty and staff renewal, broader student offerings.[13]

- Conduct cost analyses and comparisons among institutions. This is not to support any type of uniformity, but to encourage reasonable cost behavior within the established parameters (quality, size, etc.).[5]

- Investigate and give serious consideration to implementing an incentive program to reward cost-cutting ideas or action. U.S. Steel and The National Association of College and University Business Officers (NACUBO) jointly sponsor one such program which awards up to $10,000 for successful savings ideas.[42]

COMMUNICATIONS

The administration is responsible for collecting relevant data for informed retrenchment decisions and for keeping the campus and community informed of goals, activities, and progress. This includes knowing when to communicate what.[16] Keep politicians and the public aware of the complexity of the university[5] and verify that both national and local circumstances are understood.[40] Keep informed regarding changing legal practices and government regulations.[45] Don't take any campus sector by surprise, including students.[4] Credibility will only be gained through openness[16] and wide circulation of pertinent and reliable information.[4] Exhibit leadership in forming campus issues. Media has the power to control what people think about and often additionally what they think. Mass media is usually the most effective means of communicating information. When the communication is also intended to cause changes in attitudes and/or behaviors, interpersonal channels are usually more effective. Focus university attention on the important issues.[48] Communication and information are vital during retrenchment -- but expensive. Closely watch the costs of the information flow. Stress the sharing of information and verify that information gathered is easy to understand and serves a useful purpose.[48]

PUBLIC FUNDS

The federal government reduced its percentage share of higher education costs from 19.1% in 1965 to 15.1% in 1978.[2] If higher education is to receive greater public support in the future it must compete effectually with other national priorities by proving its responsibility and accountability to show its worth favorably.[1]

The Carnegie Commission suggests that federal funding should cover one-half of the public share of total higher education expenditures.[1] Earl F. Cheit suggests that federal assistance be on an unrestricted basis. This is based on the assumption that universities themselves know best where the money is most urgently needed and that diverse science and research commitments between institutions require diverse application of funds. He believes that campuses would develop in a more balanced manner according to true educational priorities rather than based on the availability of funds for specific projects. Cheit further suggests that if federal aid must remain restricted, it should then be used for expensive regional interinstitutional resource centers such as medical schools, libraries, and computer centers which could not be otherwise afforded.[43]

Although hopes of broadening the revenue base for state support are very doubtful with the recent passage of Proposition 13, the Carnegie Commission has also suggested that tates raise their average higher education contribution to approximately 1% of personal income.[1] Institutions should also explore eligibility for revenue-sharing funds, Comprehensive Employment Training Act (CETA) funds, funds for public works projects, and law enforcement funds.[46]

TUITION

Tuition is often raised to combat financial pressures. Between 1965 and 1978 public institutions raised tuition by 16% while private college tuition concurrently rose by 21%.[2]

The Carnegie Commission suggests that tuition cover one-third of educational costs with a matching increase in financial aid for lower income students.[1] A study for the American Council on

Education notes that a reduction in out-of-state tuition could alter California's already favorable in-migration patterns even more in California's favor.[12]

There is disagreement in the literature regarding changing student aid practices. There are recommendations for reduced student aid and reduced funds for special admission, and increased student aid to help students afford a university education.[43] There are also recommendations to attempt not to cut student aid with student loans always remaining available.[4]

This reviewer feels that policies regarding tuition and student aid should be formed around the student groups currently attending the university, potential student markets, and the mission, philosophy, and stature of the university. A balance should be found which does not cripple enrollments by placing the institution above financial reach, is competitive with other similar institutions, and permits the student to assume a reasonable portion of his or her own expenses.

EXTERNAL FUNDS

Public institutions need to overcome their shyness of fund raising. Philanthropic sources should be preserved and their importance more fully realized.[1] Hire the very best endowment manager that can be found and set general policy guidelines for investment.[42] Consider consolidating the direction of public relations, alumni relations, and fund raising.[48]

Surplus property can be sold and unused portions leased.[46] Outside activities could be promoted with the university receiving a set portion of the money earned.[9] Some institutions are also experimenting with unusual business investments. For example, Millsaps College in Jackson, Mississippi, makes $200,000 per year from owning a Holiday Inn and a gas station. Grinnell College in Iowa has recently purchased a commercial television station in Dayton, Ohio.[2]

On a national level, the Carnegie Commission has suggested that research funds be allocated and used at approximately the average

annual rate of increase in the GNP rather than at a faster rate.[1]

PERSONNEL (see also "Faculty" section)

Annual "hard-nosed" reviews of all positions should be conducted to verify that they are still necessary and that the employee has work for a full-time position. Tough but fair performance evaluations should also be conducted annually.[24] Consider withholding a pre-agreed upon portion of each person's salary until the next annual review. If specific performance standards have been met the employee will be reimbursed. Savings under this program could be redirected into staff development programs.[46]

Contract extra help for particularly busy periods and hire consultants for special projects. Also organize and utilize volunteers wherever possible. Administrative interns can be used in place of regular staff at approximately 1/3 the cost and are particularly applicable and available within higher education. Use partial year contracts where necessary. Cutting six positions to 10 or 11 months often accomplishes more than cutting one entire position. Additionally, employees will often maintain their previous productivity on a shortened year.[46]

A single institutional pool for all vacancies should be formed.[9] This allows the central administration to review the purposes of each position and to stipulate termination, reallocation, and/or rank demotion.[5] Avoid reallocating assigned but unfilled positions, particularly faculty positions. There is a tendency in such cases for departments to recommend appointment (or not to recommend termination) to avoid losing the position altogether rather than waiting for a preferred candidate.[50] Fewer positions in all institutional sectors point to improved recruiting, selecting, and training of employees.[45] However, unnecessarily strict hiring qualifications may unreasonably increase salary levels above the worth of the actual jobs being performed.[24] Employment policies should be clearly stated and strictly adhered to on a uniform basis.[46] Particular attention should be directed toward developing fair policy regarding unemployment insurance claims. Campaign to reduce

staff absenteeism and develop clerical and other labor pools. Also, prepare clerical/faculty ratios by department at least annually and evaluate comparatively.[24]

Freezing hiring and/or rank and salary are frequent retrenchment actions.[9] Although they are difficult to accept, the administration should stress that employment without an increase in salary is still superior to unemployment.[46]

OPERATIONS

Reducing campus maintenance is typically the first retrenchment action taken.[43] An estimated $35 billion may be currently needed to catch up on maintenance work at colleges which has been put off since the college building boom of the 1960s. Necessary maintenance should not be cut. In reality, the needs are simply postponed until they become expensive emergency situations. This is one area where spending can mean saving in the long run. Every institution should have a formal inventory of maintenance needs and a program for preventive maintenance.[52]

Carefully consider changing to year-round operation if it will create savings in operating and capital costs combined.[1] This reviewer believes that because UC-San Diego is still growing it should emphasize attaining desired enrollments for the regular academic year. Year-round operations would only assist if the summer enrollment demand increases substantially.

Improvement in space utilization can be helpful, but is a small university cost. The buildings and grounds must be maintained and paid for whether under heavy or light use.[26] Nevertheless, university facilities should be appraised for their ability to adapt to the projected changes. Specifications should then be developed for future space needs including renovations, additions, and phase-outs.[45] Building and equipment needs should then be regularly reassessed[8] and unnecessary buildings and space should be rented or leased.[46] Energy savings are imperative in this time of sky-rocketing energy costs. A comprehensive institutional energy plan should be developed and implemented.[42] (See Reference #53 for

Harvard's Comprehensive Energy Plan which saved $2.5 million in fiscal year 1975 despite rising energy costs, and Reference #54 for the University of Illinois' plan which cut energy consumption by 25%.)

SPECIFIC ACTION

Macalester College, St. Paul, Minnesota

Phone-by-phone analysis of function and proximity to other phones -- $6,000 saved per year.

Copy machines centralized and better system installed -- $15,000 saved per year.

Inventories and buying levels needed for discounts examined and diversities eliminated -- no savings listed.

Subscriptions analyzed and consolidated -- no savings listed.

Cut tuition payments for staff children from 100% of Macalester's tuition at any institution to 50%. Employees hired after 5-1-71 no longer received this benefit -- $89,000 savings.

CASE HISTORIES

INTRODUCTION

Many higher education institutions have already retrenched for reasons varying by individual circumstance. Small private colleges have been the hardest hit -- the National Association of Independent Colleges and Universities reports that 113 private colleges closed between 1970 and 1976 while only 46 opened.[2] All sizes and types, however, have been affected.[43] Following are monographs of retrenchment action at specific colleges and universities.[43,55] The selection is by no means complete and represents published descriptions in all but one case.

Harvard University (1971)*

- Cut back School of Education, School of Design, and Divinity School.
- Cut back federal fellowships and traineeships.

Ohio University (1971)

- Library support drastically reduced.
- Large backup of deferred maintenance.

Syracuse University (1971)

- Many postponed items.
- Used endowments to meet deficits.

University of Chicago (1971)

- Budget balanced by using Ford Challenge Grant.

University of Michigan (1971)

- Reduced capital funds available.
- Federal support for hard sciences dropped.

University of Minnesota (1971)

- Federal funds withdrawn for local projects.
- Federal traineeships reduced.

* year source was published

- No university construction funds.
- Serious space shortage.
- Library needs not met.

University of Oregon (1971)

- Facing cuts recommended as "fat" by a consulting firm (cuts not listed).

New York University (1971)

- Carried $5 million deficit in 1970-71, borrowed to cover it.
- Sold noneducational business assets.
- Number of faculty frozen.
- Number of teaching assistants reduced.
- Research cut back.
- Number of administrators cut back.
- Student/faculty ratio rose in 1970-71.

1973

- 1972-73 deficit exhaused unrestricted endowment fund.
- "Projected sales of University Heights campus may replenish this."
- Proposed faculty and staff reductions for 1973-74 will "hopefully" balance budget.
- Future prospects are now dependent on external forces more than "efficiency of internal management."

St. Louis University (1971)

- School of Dentistry all four engineering departments, and Parks College (small college specializing in aeronautical science) closed.
- Approximately 45 faculty positions cut.
- Medical School budget reduced to one-third size of three years ago.
- Library acquisitions cut back.
- Research programs cutback.
- Faculty salaries raised "only 3%."
- Courses postponed.
- Student/faculty ratio raised.
- Debate program eliminated "for next year."

1973

- Salaries frozen for 1972-73.
- All programs being reviewed.
- Necessary building repairs postponed.
- Hopeful of a "turn-around in our financial condition."

San Diego State College (1971) (now San Diego State University)

- Larger class sizes.
- 48 faculty positions left unfilled this year.
- Some research positions cut.
- Sabbatical leaves halved.
- Equipment budget cut by $20,000.

San Diego State University (1973)

- Some additional increases in class size.
- "Moderate improvement in financial situation." Funding deficiencies continue in areas of sabbatical leaves, equipment, and support staff.

Stanford University (1971)

- 1970-71 budget deficit of $1,427,000.
- $2.5 million must be cut within next four years.
- Deficits are being financed from reserves.
- All unfilled faculty positions frozen.
- 21 faculty positions cut, no tenured faculty let go.
- Library acquisition growth cut.
- General funds for Hoover Institution and the Medical School
- New programs not funded.
- Drama program severely cut.
- Plans for buildings shelved.

1973

- Launched $300 million, five-year fund raising campaign.
- Annual budget deficits reduced to $600,000
- Budget reductions and income adjustments totalling $4.5 million to date, $1.5 million more are being considered.
- Specific positions both non-academic and academic cut; however, others were added keeping number of employees constant.

Tulane University (1971)

- Number of faculty frozen.
- Higher student/faculty ratio because enrollment concurrently rose.
- Cut back number of teaching assistants.
- Cut back research activities.
- Ph.D. programs in Classics, Italian, Geology, Music, Theatre, and Social Work eliminated.
- Maintenance has been deferred for years.
- Extremely small library budget.
- Cut $100,000 from Speech and Theatre budgets.
- Laundry and printing press eliminated.

1973

- Decentralized budget process. Each major division of Tulane now responsible "to some extent" for own financial solvency.
- Distributed university financial information "as widely as possible."
- Increased student/faculty ratio by reducing faculty slightly and increasing enrollment slightly.
- In midst of program to place the School of Medicine on a self-sufficient basis.

University of California at Berkeley (1971)

- Student/faculty ratio rising.
- One research institution in the social sciences eliminated, seven other research units are operating without a regular support budget, still others are only partially funded.
- New courses postponed.
- Some courses, including freshmen seminars, eliminated.
- Summer quarter placed on self-supporting basis, which caused the State to withdraw funding for 208 new faculty positions.
- Number of graduate students and teaching assistants reduced.
- Reduced capital funds available.
- Number of administrative posts reduced.
- Reduced community service and various research programs.
- No faculty salary increase in 1970-71.

1973

- Student/faculty ratio now 17 to 1 compared with 15 to 1 in the late 1960s.
- Student/teaching assistant ratio also higher.
- Graduate enrollments reduced by 15%.
- Two high cost specialist departments and one research institution terminated.
- Two major computers taken out of service.
- Library services reduced.
- Student services and administrative services "trimmed and rationalized."
- Many low enrollment courses eliminated or scheduled less often.
- Size of sections in required freshmen courses rose an average of 5% and evening laboratory schedules started.
- "New programs and program changes authorized only when long-run financing is assured by eliminating or reducing some other activity."
- Administration "radically reorganized and streamlined."
- Limits placed on community service and research programs.
- Financial aid programs at steady state.
- Freeze on faculty salaries lifted.
- "Resources are now reasonably well adjusted to revised program objectives and priorities."

Southwest State University, Marshall, Minnesota (1977)

Background: Facing a 50% enrollment decline due to over-expansion of higher education in the 1960s in both urban and rural areas. Southwest has a capacity for 5,200 students and present projections do not exceed 2,000. Retention is also comparatively low.

Minnesota Higher Education Coordinating Commission studied Southwest's predicament and made these recommendations for the future:

- No closing or consolidating of programs to other campuses should take place as this would harm the quality of life in the area by reducing accessibility to the University's assets.
- Continue as a regional university offering baccalaureate and vocational/technical degree programs which require no further investment and are designed to meet regional needs.

- Southwest should conduct more and better advanced planning, including identifying portions of the physical plant that can be used by other state agencies for other activities of which can be leased to businesses.

University of Wisconsin (1975)[57]

- 1975 budget reduced by $10.5 million. (Faculty salaries allocated through separate budget were not reduced.)
- Another $23.1 million in estimated purchasing power has also been lost due to inflation.
- State denied support for an expected additional 6,000 students over the next two years. Under previous funding formulas this would have meant an additional $9.6 million.
- The University has a system called "targeted-capacity funding" which attempts to spread financial burdens fairly among the 27 campuses which enroll 140,000 students. Four campuses will not be required to take more students; the additional 6,000 enrolled will be distributed among the remaining 23 campuses.

The Chemistry Department on the Madison campus:

- Reduced faculty members from 43 to 39 by not filling vacated posts.
- Larger classes.
- Scarcer chemicals for students' labs sessions, some experiments now performed as demonstrations only, others use cheaper chemicals.
- Reduced teaching assistants from 124 in Fall 1974 to 110 in Spring 1975.
- Fall 1974 had 660 students in four beginning Chemistry courses of 165 each.
- Fall 1975 will have approximately same amount of students in three beginning Chemistry courses of 220 each.
- There are no longer faculty members for Bio-inorganic Chemistry and Bio-analytic Chemistry.
- The department elected to eliminate four faculty rather than lose a large amount of teaching assistants. They felt the workload would not have been possible.
- Eliminated honors courses.
- Did not reduce budget for equipment and supplies as inflation had already caused large erosion of buying power - organic chemicals were up 91% in two years, glass containers concurrently up 32%.

University of Florida (1976)[58]

Background

- State supported land grant school founded in 1853.
- Largest and oldest campus of the Florida State University system.
- Offers every major academic discipline including medicine, law, agriculture, business, engineering, dentistry, pharmacology,

education, journalism, and the arts and sciences.
- Admits freshmen from the upper 40% of high school graduates with 3/4 in the top 20%.
- Carries a 25,000 enrollment: 8,000 lower division, 11,500 upper division, 5,500 graduate and advanced professional students.
- Has 2,700 faculty members with half in the general education budget and half in the medical, agricultural and related programs budget.
- Annual budget of $176 million.
- Although Florida is still in a period of growth, this is not expected to continue because: the growth is mostly immigration and unpredictable; more universities and community colleges were created than Florida's population justified, and there has been a decline in the portion of high school graduates who attend college.

Retrenchment

- In 1972 the regular annual enrollment increase of 1,000 became an actual increase of 74. Funds, generated from an enrollment formula, which had already been allocated from the state had to be returned.
- The major thrust of the response was to plan for converting to steady state while trying to defer it as long as possible by actively recruiting students for the first time.
- Enforcing the University mission as a graduate and professional institution, the University identified six priorities: Architecture, Biological Sciences, Business Administration, Environmental Sciences, Journalism and Communications, and Law.

Actions regarding faculty

- Kept faculty informed.
- Expanded faculty development and in-service training.
- Considering faculty exchange programs.
- Tenure quotas opposed but tenure granted only for strong academic excellence.
- Line items which are left open do not revert to central administration and do revert to rank of Assistant Professor. This assures a central role for the departments and does not penalize those who make a thorough search but are unable to find a suitable person.
- University is emphasizing its role as a service-oriented institution geared to perform programmatic problem-solving research without hurting efforts in pure research.

Actions to increase enrollments

- Image changed from "rejection" office to admissions office.
- Developed imaginative ways to contact and stay in touch with prospective students.
- "Attitude sessions" were held for all campus members who come in contact with prospective students.
- Designed attractive brochures.
- Verified that there would be plenty of student catalogs; in

the past they had habitually run out.
- Replied to inquiry letters immediately and followed up with newsletter called "Prevue for Future Gators" which contained University information and discussed current University events.
- Registrar's office notified the deans of top applicants for personal follow up.
- A Black admissions officer was hired with a subsequent 30% increase in Black enrollments.
- Every effort was made to be sure prospective students felt welcomed to the University.
- Efforts were a huge success -- enrollments increased by 85%, pushing steady state back for the time being.

Actions regarding Operating Funds

- Space considered community property unless under a current commitment from the original construction funding.
- Space may be temporarily assigned.
- Space not allowed to remain unused for a future use.
- Research space allocated on the most stable basis but reassigned if not in use.
- Teaching labs not committed to a department if used under 30% of the time.
- Use of offices or research labs for storage not permitted unless otherwise authorized.
- Equipment retained and not used for three years should be junked.
- If a usable and suitable space is offered to a group needing space and it is rejected, that group's space priority is demoted.
- No faculty member may have two offices until all faculty are given one office.
- Graduate students have no priority over regular faculty in assigning office space -- even if the faculty is not a member of the academic area where the space is assigned.

Action to increase non-formula funds

- Currently spending more on fund raising than receiving, but hopeful that this will turn around. Funds will be used for student scholarships, faculty chair support, and to augment faculty salaries.
- Already receiving substantial federal funds with little hope of increase.
- The agricultural and health programs receive extra state funds on a project basis. Currently exploring other projects which could be applicable.

City University of New York, New York City Community College (1977)[59]

- When New York City faced insolvency, the Board of Higher Education's budget received the largest percentage cut of all city agencies.
- The first reduction was for fiscal year 1974-75. CUNY required that each college take a 1.59% cut.

- New York City Community Colleges'(NYCCC) cut equalled $467,000.
- NYCCC cut equipment and supply budgets and didn't fill some vacated positions.
- In mid-year CUNY imposed an additional $555,000 cut on NYCCC.
- Funds had already been distributed between operational deans, so the Council of Deans met with NYCCC President and decided on policy of "things" before people.
- Dean of Faculty's equipment and supply budget reduced.
- Dean of Administration's budget reduced, including buildings and grounds, supplies, and other costs not related to personnel services.
- New York City's financial condition deteriorated in late Spring 1975
- In August 1975, NYCCC was informed that a $2.9 million reduction was necessary.
- New cutting policy developed which emphasized academic balance within the college.
- Idea of horizontal cuts rejected, necessitating evaluation of each program. Recognizing that each program would no longer be worthwhile past a certain amount of cuts, each program was assessed to determine where that point was and whether it could be reduced to a lesser degree or eliminated and savings allocated to another program.

<u>One example</u>

- The Cultural Affairs program cost $100,000 per year.
- Considered an institutional goal but became low priority when compared with other major goals.
- Loss of one staff member would bring program to a nonviable position.
- Entire program was eliminated.

<u>A sampling of cuts</u>

- 13 professional staff members eliminated from the Dean of Students' area.
- 1[illegible] professional staff members eliminated from various administrative offices.
- 100 civil service employees eliminated from Dean of Administration's area.

- Specifications were developed for personnel retrenchment mandating the involvement of the college community.
- In mid-year New York City cut CUNY by an additional $32 million. Each college president insisted no more cuts could be made.
- CUNY shut down for two weeks on May 28, 1976, for lack of funds.
- Tuition imposed for 1976-77.
- Another $5.4 million was cut from 1975-76 budget for 1976-77.
- President of NYCCC then proceeded on policy that dissatisfaction must be kept equal between campus segments (academic programs, student personnel services, community services, and non-academic support services).
- More cost data gathered as preparation for allocating cuts.
- Goal of zero-based budgeting not reached but cost centers were developed to help prepare the budget.

- Each dean calculated the impact of 10% and 20% cuts in his or her division and met with business managers to price costs for services and develop ways to lower costs.
- No campus segment was eliminated but all drastically reduced.
- Reductions drove down enrollments; not as many classes available and lecture class sizes increased.
- Retrenchment by seniority affected Affirmative Action and "greatly increased cost-per-student." The lowered budget actually drove unit costs up.

Lessons learned from retrenchment

- No cuts are impossible or painless.
- The institution must take priority over individuals.
- Positions must be reviewed instead of individuals.
- Zero-based budgeting is useful and should be initiated as quickly as possible.
- Resource allocations, programs, and services should be reviewed annually.
- Faculty and students should be involved in the budgeting process, but they are even less prepared than the unprepared administration for retrenchment.

State University of New York (1978)[60]

- Action was in response to a permanent base budget reduction of $10 million.
- Other state funding was reduced an additional $21 million through recommendations by the Governor and legislative actions.
- The University was given autonomy in making its cuts. Authority was then delegated to each individual campus. Programs were eliminated if they:
    - "no longer considered a viable offering;"
    - could be treated as an option or part of another major or interdisciplinary program;
    - were not available in reality, or
    - had been selected for elimination by the campus decision-making unit.

- The decision to eliminate required substantial review and included provisions for handling present enrollment and future degrees.

Personnel layoffs were handled in the following manner

- All Civil Service employees were controlled by the Civil Service Commission.
- Professional staff were controlled by the Agreement between The State of New York and the UUP. (see page 26)
- All cutbacks in positions were determined strictly by program decision.

General retrenchment actions

- Enrollment reduced by 5,000 from February 1976 level.

- 1,615 faculty and staff positions eliminated.
- Tuition and dormitory fees increased.
- SUNY scholarship program for graduate students eliminated.
- 2,000 employees reduced from 12 to 10 months a year; equivalent to 16% cut in pay.
- Reduced academic programs and other services.
- Reduced maintenance.
- Closed classes more often in winter and extended spring quarter into summer to save energy.
- One campus school eliminated.
- One campus school being phased out.
- Three campus schools reduced in size.

Specific Base Level Reductions:

Albany - $159,000

- 3 faculty and 3 staff in astronomy graduate program.
- 13 faculty and 3 staff in Allen Collegiate Center.
- 1 faculty in science and technology studies.
- 13 faculty reductions were reallocated.

Total: 6 faculty and 6 staff eliminated.

Binghamton - $186,000

- 6 faculty in foreign languages and literature.
- 1 faculty and 1 staff in geological sciences.
- 2 faculty in physical education.
- 3 faculty and 3.5 staff positions reallocated.

Total: 9 faculty and .5 staff eliminated.

Stony Brook - $843,000

- 24 faculty in the School of Education and Experimental College.
- 4 faculty in allied health programs.
- 1 faculty in nursing.
- 6 faculty and 8 staff in School of Podiatry.

Total: 35 faculty and 8 staff eliminated.

Upstate Medical Center - $220,000

- 9.4 faculty in two-year nursing program and general studies.
- $81,000 cut from support budget.

Downstate Medical Center - $314,000

- 9 faculty and 5 staff in the College of Health-Related Professions.
- 2 staff positions reallocated.

Total: 9 faculty and 3 staff eliminated.

Buffalo Center - $739,000

- 24.8 faculty and 6 staff in languages, educational studies, natural science, mathematics, social sciences administration and the School of Management.
- 7.9 faculty and 4.7 staff in health science.

Brockport - $250,000

- Dean of Humanities.
- Director of Institutional Services.
- 2.5 faculty in history, nursing, and psychology.
- Reduced accessory instruction for St. John Fisher College and Greece Central School.
- Reduced temporary funding for summer session.
- Reduced overtime use, instruction and departmental research (I&DR) travel, temporary funding for I&DR and supplies and equipment.

Total: 2.5 faculty and 2 staff.

Buffalo College - $288,500

- Independent degree program.
- 5 faculty for independent degree program.
- Director of International Education.
- 7 staff in instructional resources-professional studies education, industrial arts, and vocational/technical education.
- Reduced temporary funding of all I&DR departments, supplies and expenses, travel, and equipment.

Total: 5 faculty and 8 staff eliminated.

Cortland - $132,117

- 25% reduction in salaries from temporary funding for summer session.
- 1 faculty in teacher education.
- 2 staff in psychology.
- Various I&DR reappointments at ranks and salaries lower than budgeted.
- Reduced travel, temporary funding for I&DR, supplies and expenses.

Total: 1 faculty and 2 staff eliminated.

Fredonia - $180,000

- 1 faculty in German language.
- 1 faculty in Italian language.
- 1 faculty in elementary education.
- 1 faculty in physical education.
- 1 faculty in music.
- 1 faculty in history.
- 1 faculty in English.
- 1 faculty in mathematics.
- Director of International Education
- 1 technical specialist.

Total: 8 faculty and 2 staff eliminated.

Geneseo - $110,000

- 4 faculty and 2 staff in liberal arts; affected program for education of bilingual teaching and training legal assistants.

Old Westbury - $100,000

- 3 faculty in business and management program.

- 3 faculty in urban and regional studies.

Total: 6 faculty eliminated.

New Paltz - $161,500

- 1 faculty in African studies.
- .5 faculty in psychology.
- 1 faculty in English.
- .5 faculty in music.
- 1 faculty in geology.
- 1 faculty in economics.
- 1 faculty in history.
- 1 faculty in physical education.

Total: 7 faculty and 1.5 staff eliminated.

Oneonta - $70,100

- Campus school program eliminated.
- 1.5 faculty in foreign language.
- 2 faculty in off-campus supervision of student teachers.
- 1 faculty - Arts Gallery Director.
- 1 faculty in geography.
- 1 faculty in English.
- 1 faculty in health and physical education.

Total: 7.5 faculty eliminated.

Oswego - $201,300

- 1 faculty - Coordinator Vocational Technology.
- 4 faculty in arts and science.

Total: 5 faculty eliminated.

Plattsburgh - $128,700

- 1 faculty in German language.
- 1 faculty in physics.
- 1 faculty in education.

Total: 3 faculty eliminated.

Potsdam - $113,900

- 2 faculty in psychology.
- 3 faculty in continuing education.

Total: 5 faculty eliminated.

Purchase - $29,700

- Overseas academic program reduced.
- Reduced temporary funding and supplies and expense for summer session, travel, and performance support.
- No positions were eliminated.

Utica/Roome - $10,000

- General reductions, no positions were eliminated.

Alfred Agricultural and Technological College - $14,000

- 1 faculty in chemical technology program.

Canton Agricultural and Technological College - $64,500

- Summer session program.
- 2 faculty in data processing and social sciences.

Cobleskill Agricultural and Technological College - $8,300

- Reduced sabbatical leave expenses and faculty support.
- No positions were eliminated.

Delhi Agricultural and Technological College - $8,800

- Reduced support for Assistant Director for Evening and Extension Program.
- Withdrew from Inter-University Consortium of Political Research.
- No positions were eliminated.

Farmingdale Agricultural and Technological College - $121,000

- Total 4 faculty and 4 staff eliminated in social sciences.

Morrisville Agricultural and Technological College - $12,000

- Reduced faculty support.
- No positions were eliminated.

Maritime College - $8,500

- Reduced faculty support.
- No positions were eliminated.

College of Environmental Science & Forestry - $76,195

- 1 faculty in academic affairs reduced to junior level.
- Reduced support.
- No positions were eliminated.

Alfred Ceramics - $27,330

- 1 faculty in engineering/science.
- 1 staff technical specialist.
- Hiring replacement personnel at lower salaries.

Total: 1 faculty and 1 staff eliminated.

Cornell - $121,320

- 3 faculty and 3 staff in agriculture and life sciences.
- Graduate program in extension education.
- Outdoor recreation program.
- 2 faculty in human ecology.
- 1 staff in industrial and labor relations.

Total: 5 faculty and 4 staff eliminated.

CONCLUSION

It is apparent that budget reductions affecting a particular institution are unique situations which require unique solutions. Although literature reviews such as this serve to identify concerns and catalog existing suggestions, there is certainly no assumption that suggestions are necessarily applicable or that they will have the desired effects. It is one matter to suggest the setting of clear-cut priorities, for instance, and a totally different matter to actually establish them. Fiscal balance and innovative educational development are two difficult ends to reach through the same means. These are the heart of the task and the goals of successful retrenchment.

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